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nual report to the Economic and Social Council***

Summary

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The present report, which is prepared annually, covers a range of issues arising
the decisions of the Economic and Social Council and the General Assembly,
provides the perspective of the United Nations Children's Fund (UNICEF) on
e topics of system-wide interest. It describes UNICEF actions to contribute to the
lementation of the Millennium Development Goals and to respond to the
ome of the 2005 World Summit. It provides information about the direction
CEF is taking to work in closer partnership with other members of the United
ons system to ensure that development assistance produces sustainable results
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This report, together with an addendum containing the comments made by the
bers of the Executive Board during its first regular session of 2006, will be
nitted to the Economic and Social Council for consideration at its substantive
ion of 2006.

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This document was submitted late because of internal consultations.

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I. Introduction

1. For nearly 60 years, UNICEF has stood as a beacon of hope for the world's children. Over time, its missions and programmes have evolved – from the recovery in the wake of the Second World War to the end of the Cold War to the dawn of the twenty-first century.

2. Today, new opportunities and challenges – especially the 2015 target to achieve the Millennium Development Goals – require creative thinking, innovative approaches and additional efficiencies. They also demand a willingness to question previously held assumptions, all with the goal of producing quantifiable results in the best interests of children.

3. The past year has been a time of trials and transitions for UNICEF: humanitarian crises of unparalleled scope and tragedy, an emerging consensus around global health issues and a new Executive Director. UNICEF is rising to the most pressing needs of children through new partnerships, such as the global campaign, "Unite for Children, Unite Against AIDS", and the Partnership for Maternal, Newborn and Child Health; through a renewed commitment to integrated approaches to the delivery of proven health interventions and strategies; and through a collective dedication to accountability and a mandate to yield measurable results.

II. Implementation of the reform programme of the Secretary-General and the provisions of the triennial comprehensive policy review of operational activities for development of the United Nations system

A. Structures and mechanisms

4. Reaching the Millennium Development Goals requires close working relationships among United Nations agencies, non-governmental organizations (NGOs) and donor and programme countries. The United Nations Development Group (UNDG) continued to make progress through information exchanges and by establishing broad parameters of agreement. However, it continues to be the much more focused Executive Committee – composed of four agencies with more similar approaches to programme delivery (the United Nations Development Programme (UNDP), the United Nations Population Fund (UNFPA), UNICEF and the World Food Programme (WFP) – where the major progress is made. UNICEF continues to be proactive in the UNDG and to support more intensive collaboration in the spirit of United Nations reform and the 2005 World Summit, in order to achieve the Millennium Development Goals.

5. UNICEF continues to strengthen partnerships, both at the level of senior leadership and in programme collaboration in the field. The new Executive Director's first official field mission – undertaken jointly with the Executive Directors of WFP and the Joint United Nations Programme on HIV/AIDS (UNAIDS) – was to areas in Southern Africa that suffer from the triple threats of HIV/AIDS, hunger and weak governance. This trip reinforced the importance of programmatic ties and regional leadership. In September 2005, building on the presence of world leaders at the World Summit, UNICEF helped to launch a new Partnership for Maternal, Newborn and Child Health. In the education sector, UNICEF is the lead agency and secretariat for the United Nations Girls' Education

Initiative (UNGEI) which brings together United Nations agencies, the World Bank, donors and NGOs to support country-level efforts to influence decision-making and investments in national education policies, plans and programmes. In October 2005, UNICEF, along with UNAIDS, launched the "Unite for Children, Unite Against AIDS" campaign, which focuses on children as the missing face of the AIDS pandemic.

6. A major source of guidance for the work of the UNDG is the triennial comprehensive policy review (TCPR) adopted by the General Assembly in resolution 59/250 of 22 December 2004. The TCPR identified changes needed to increase efficiency by reducing transaction costs, and increase coherence, effectiveness and relevance through the programme process, the resident coordinator system, evaluation and attention to gender issues. A three-year programme of work has been prepared to respond to the resolution, and the first annual report was made to the Economic and Social Council (E/2005/CRP.1) at its substantive session of 2005. Additionally, the UNDG has developed an action plan on follow-up to the agreements made at the Paris High-Level Forum, as well as an action plan on the Millennium Declaration and Development Goals as a key part of its follow-up to the 2005 World Summit.

7. Because the Millennium Development Goals are largely focused on women and children, UNICEF is intensifying its work and partnerships to achieve them, particularly Goals 2 (universal primary education), 4 (reducing child mortality), 5 (improving maternal health) and 6 (HIV/AIDS and other diseases), as well as ensuring that the needs of children remain at the forefront of work for all of the other Goals, including eradicating extreme poverty and hunger, achieving gender equality and addressing water and sanitation.

B. Funding for operational activities for development of the United Nations system

8. The sixth pledging event in the context of the multi-year funding framework took place in January 2005. Details were provided in the Executive Director's annual report to the Executive Board, presented at the annual session of 2005 (E/ICEF/2005/6).

9. For the current year, as of 30 September 2005, UNICEF had recorded regular resources income of $460.8 million from government donors and intergovernmental agencies against medium-term financial plan projections of $455 million. Total regular resources income from all sources for 2005 is projected to be $815 million, with the level of government regular resources contributions in line with financial plan estimates. Other resources contributions from Governments were $739 million, of which $326 million were for other resources-regular against a planned target of $470 million, and $413 million were for other resources-emergency against a planned target of $380 million. Total other resources income from all sources was $1.36 billion against the planned target of $1.49 billion.

10. There was a continued positive trend in regular resources levels in 2005, as well as in other resources, due to the unprecedented response from donors (private sectors and Governments) to the tsunami disaster and other emergencies.

11. UNICEF depends on core resources to carry out its commitments to achieving the Millennium Development Goals, and to maintain readiness and strengthen capacities to respond to emergencies. UNICEF encourages Member States to increase their annual voluntary contributions to core resources and, for those in a position to do so, to provide multi-year commitments and payment schedules at the pledging event held at the first regular session of the Executive Board.

12. UNICEF highly appreciates the support of many donors that have provided thematic contributions which, like regular resources, allow for longer-term planning and sustainability. Over $600 million in thematic funding has been received since 2003. More information on thematic funding in the context of the medium-term strategic plan (MTSP) will be presented to the Executive Board at the first regular session of 2006 (E/ICEF/2006/9).

C. Capacity-building

13. General Assembly resolution 59/250 on the TCPR, the Paris Declaration and the outcome document of the 2005 World Summit call for greater support to developing countries in establishing national institutions and for the implementation of strategies for capacity-building. In line with this, the UNICEF MTSP for 2006-2009 (E/ICEF/2005/11) establishes "continued support for building national capacities to fulfill children's rights, with increased emphasis on strengthening policy frameworks, service delivery and protection systems and institutions" as one of the key strategies for UNICEF work.

14. Capacity-building is a critical element of programmes for achieving the Millennium Development Goals and to sustain their achievement once they are met. UNICEF contributes to capacity-building at the national level by facilitating better national planning to take into account the interests of children, supporting data collection and analysis systems that will make information available about the situation of children, and analyzing these data to make apparent the programme directions that will improve the lives of children. UNICEF also supports capacity-building at the local level to promote improved resources to work for children.

15. A cornerstone of UNICEF support for capacity-building is development planning that takes into account the needs of children. By 2005, at least 41 countries had completed national plans of action for children since the General Assembly special session on children (2002) and an additional 45 plans for children were under formulation, many with UNICEF support. UNICEF is working to ensure that countries incorporate the goals and commitments of "A world fit for children" into their follow up to the 2005 World Summit, reflecting the Millennium Development Goals; and into other national policy and planning instruments, such as poverty reduction strategies (PRSs), national development plans and sector-wide approaches. An estimated 145 countries have used one or more of these instruments for their follow-up activities. Many countries are also reviewing relevant national legislation in order to achieve greater consistency with the Convention on the Rights of the Child. It is critical that such plans focus on support for achievement of the Goals.

16. UNICEF encourages the involvement of children and young people in the preparation of national plans of action for children and sectoral plans on child-related issues. Children and young people played substantial roles in the preparation of most national plans of action for children prepared in 2004, but could be much more active in the preparation of PRSs.

17. Empowering civil society to mobilize and work with public sector authorities, and contributing to reform of national laws and policies on children's rights, continue to be critical strategies for capacity-building. One specific way that UNICEF supports this kind of capacity-building is by addressing violence against children, especially girls, and women through research and advocacy; legislative reform; counseling and rehabilitation services; training and awareness-raising among police, judges and other officials to ensure the proper enforcement of existing laws; and ensuring services for survivors.

18. Reliable, age-specific and disaggregated data are essential for effective planning and monitoring for PRSs and the Millennium Development Goals. *DevInfo* is an important source of data on social indicators and it has now been adopted by the UNDG to monitor and report on progress towards the Goals. Its technology has been specifically designed to support Governments in this monitoring work, and it can also be adapted to include additional user-defined indicators linked to national monitoring frameworks such as PRSs. By serving as a common repository, *DevInfo* can add value to national statistics systems by complementing existing databases and bridging data dissemination gaps. The system is available without charge to Member States and United Nations agencies, and United Nations country teams (UNCTs) can support its implementation in over 80 countries. The development, implementation and use of *DevInfo* will continue as an inter-agency project, led by UNICEF.

19. In line with commitments of the Paris Declaration, UNICEF supports the building of national capacities at the sectoral level. This includes support for better information systems in the areas of health and education, including for micro-planning to generate more accurate data for immunization and for tracking enrolment and retention rates in schools. As it is critically important to know how health and education services are used according to gender, so that disparities can be identified and narrowed, UNICEF supports improved collection of gender-disaggregated data including through its multiple indicator cluster surveys (MICS). UNICEF has also developed new indicators in the area of protection, for example for female genital mutilation/cutting (FGM/C), and child marriage.

20. In the health sector, UNICEF, in partnership with the World Bank and the World Health Organization (WHO), has developed a prioritization method called marginal budgeting for bottlenecks (MBB) that first identifies implementation cost restraints in the health system and then estimates the marginal costs of overcoming these constraints. MBB thus facilitates a process of budgeting for government medium-term national or regional health expenditures that starts by improving allocation efficiency of newly available resources, and provides a basis for policy dialogue and planning that creates results for achieving the Millennium Development Goals. This is now being used in several countries in Asia and Africa, and UNICEF is in discussion on ways of using MBB in country- and district-level planning for scaling up malaria programmes in Africa.

D. The resident coordinator system

21. The UNDG Executive Committee has agreed on ways of strengthening the role of resident coordinators, including giving them both authority over the United Nations Development Assistance Framework (UNDAF) results matrix, and responsibility for reporting on achievement of those results. In 2005, the Regional Directors of the four member agencies of the UNDG Executive Committee and of several specialized agencies provided inputs to the process used by UNDP on behalf of the Secretary-General for assessing candidates for resident coordinator positions. Similarly, in performance assessments, the UNICEF Regional Directors have placed greater importance on contributions that UNICEF Representatives made to the work of the UNCT.

22. A total of 11 UNICEF staff have served as Resident Coordinators. Two UNICEF staff have become Deputy Special Representatives of the Secretary-General, which includes coordination responsibilities. The Executive Director is encouraging more UNICEF staff to serve as Resident Coordinators. This will benefit UNICEF by facilitating stronger partnerships among UNICEF and other parts of the United Nations system while helping to better integrate work on behalf of children. It will also enrich other parts of the system with the expertise and experience of UNICEF staff.

23. At country level, UNICEF staff continue to be very active in UNCT theme groups. The theme groups on HIV/AIDS have been the most successful and UNICEF often takes a leadership role in them. These and other theme groups provide an opportunity for a stronger advocacy voice of the United Nations and they serve an especially important role where there are no other donor forums.

24. During 2005, UNICEF continued to pursue active partnerships in post-crisis transition both at headquarters and in the field. In Sierra Leone, UNICEF is working with its United Nations partners to further shape an Integrated Office, which will be established as of 1 January 2006 after the ending of the United Nations Mission in Sierra Leone. UNICEF has offered to act as the lead agency for the subnational integrated United Nations offices in two districts. In Somalia, UNICEF seconded a senior staff member to act on behalf of UNDG as the Senior Coordinator for the Joint Needs Assessment, and in Liberia UNICEF continued to lead the social services cluster, in close collaboration with the Liberian government authorities.

25. UNICEF continues its ongoing engagement in the UNDG Working Group on Transition Issues. Following the report of the Executive Committee on Humanitarian Affairs on integrated missions, UNICEF participated in the inter-agency review of the integrated mission planning process to help further improve the effectiveness of the United Nations system to assist countries with the transition to peace. Likewise, UNICEF actively contributed to the strategic discussions on the establishment of the peacebuilding support office and Standing Peacebuilding Fund requested by the 2005 World Summit.

26. On behalf of UNDG, UNICEF has been asked to co-manage, with the United States Agency for International Development, the work-stream for social service delivery of the Organization for Economic Co-operation and Development (OECD)/Development Assistance Committee (DAC) Fragile States Group, in which it also leads the education sector. Other partners in this initiative

include the World Bank, WHO, the United Kingdom Department for International Development and other OECD/DAC members.

E. Common country programming

27. By the end of 2006, all countries, except those in crisis, are expected to have introduced the common country programming process. This process places the assistance provided by the United Nations system in the context of the Millennium Development Goals and national plans to achieve them, and provides a framework for collaboration among agencies, including joint programmes, and for a review of progress towards the Goals. UNICEF continues to be involved in training and technical support for countries implementing the new processes which are facilitated by the United Nations Development Group Office (UNDGO), in conjunction with the United Nations System Staff College.

28. UNICEF regional offices and the bureaux of the other UNDG agencies have increasingly taken a lead in the oversight and technical support functions. All UNICEF regional offices are major contributors to the support and oversight for common country programming and UNICEF has acted as lead agency in several regions. Regional teams have made major progress during 2005 in improving the quality and usefulness of their oversight, providing useful input to the UNDG Quality Support and Assurance Reference Group, which has produced "best practices" of Common Country Assessments and UNDAFs for use by other country teams.

29. The early achievements in establishing joint programmes as a part of the common country programme process have been sustained, although country teams are still adjusting to the new guidelines. So far, according to UNICEF country office annual reports for 2004, UNICEF is a partner in 86 joint programmes with project expenditures of $134 million, of which UNICEF expenditures were $60 million (predominantly other resources, at $51 million). As UNCTs improve their joint planning and strengthen their partnerships to focus on achievement of the Millennium Development Goals, it is likely that the throughput in joint programmes will increase.

30. Drawing from lessons learned in implementing the common country programme process over the last four years, a working group has been established under the UNDG Programme Group to explore ways to simplify this process so that it can be more readily supportive of and used in conjunction with national planning processes. UNICEF actively participates in a working group to develop proposals for a simplified programming process, with recommendations expected by the end of 2005.

31. One major area of focus in 2005 was support to the first joint office model in Cape Verde. The country team in Cape Verde prepared the first ever common country programme document, which was approved by the Executive Boards of UNDP/UNFPA, UNICEF and WFP in 2005. Under the common country programme, which begins on 1 January 2006, there will be one Representative and one office for all four agencies. The approach helped the United Nations system agencies to find new ways of working together more closely, and the lessons learned will be applied to future joint work. The four agencies are working to identify a second country in which to establish another joint office.

32. New cash transfer procedures are being introduced which are a major, simplifying change for UNICEF and its partners. UNICEF will no longer depend on receipts for activities, submitted by partners, to verify activities. Instead, partners will supply certificates of expenditure which will be supported by field monitoring, spot-checks and audits. All four Executive Committee agencies will now use the same procedures, easing the burden on development partners. In addition, UNICEF staff will be able to devote more time to field monitoring and to support partners in building their financial management capacities, a key element of the Paris Declaration.

33. UNICEF has continued to be a resource to the UNDG on the human rights-based approach to programming, working with UNFPA in sub-Saharan Africa to prepare a joint training-of-trainers programme for country teams. UNICEF has provided individuals to train country teams in all regions of the world.

F. Common premises and services

34. UNICEF supports the establishment of common premises wherever security permits, and where they are cost-effective. Since the attack on the United Nations in Baghdad, new United Nations premises are subject to a security review on co-locating all personnel, and further progress will take into account local concerns ranging from a lack of suitable buildings to safety in earthquakes.

35. The adoption of common services among agencies at the country level is accelerating. There are now two full-time and four part-time team leaders (one full-time and three part-time staff members from UNICEF) who are supporting country teams to establish – and monitor the ensuing savings from – common services. Since its global roll-out in November 2004, the common services programme has intervened in 44 of 130 targeted countries. Implementation in a further eight countries in six regions planned for the end of 2005 has been postponed to 2006, subject to funding availability and results acquired from the Common Services Management System.

36. As common services develop, they increasingly move beyond such "traditional" in-house services as pouch and mail service, security and travel to include more direct support to country programmes such as common field outposts and offices and shared missions, transport and logistics, especially for offices in emergency situations. This kind of common service is of great interest to UNICEF for the efficiency gains in reaching more remote areas, and in supporting suboffices and out-posted staff.

37. The Common Services Management System is a result-tracking and management system developed specifically for inter-agency common services arrangements, enabling country teams, regional teams, Regional Director teams, UNDGO and the UNDG Management Group to monitor individual country common services arrangements, using both quantitative and qualitative indicators. The first version is being piloted in four countries, in three of which UNICEF plays a leading role in the Operations Management Team.

38. UNICEF is examining ways of ensuring that its systems are able to receive funds from other partner organizations and to disburse funds to them, which will enable UNICEF to lead common services or joint operational arrangements within a country office. The inter-agency Common Services Working Group is also exploring the kind of support needed for the implementation of the joint office initiative.

G. Monitoring and evaluation

39. UNICEF continues to actively participate in the United Nations Evaluation Group (UNEG). In 2005, the group agreed on and published a set of norms and standards for evaluation work by United Nations agencies. These norms and standards are now being applied in self-assessments of each agency's evaluation activities. UNICEF has completed its own evaluation, showing compliance with the norms and standards. The next step is for evaluation departments based in donor agencies to perform peer reviews. UNDP has already completed this process and it is underway for UNICEF. These assessment activities are guided by the UNEG task force on Quality stamp for Evaluation.

40. UNICEF is co-chair of the UNEG task force on Evaluation Capacity Development. UNICEF contributes to this process by sharing and diversifying its experience in fostering national and regional evaluation associations in most parts of the world. UNICEF is also working closely with the UNEG to ensure that regional and country office staff are equipped to support national evaluative efforts.

41. UNICEF also participates in the task force on Country-level Evaluation. These evaluations include evaluations of UNDAFs, as the first UNDAFs near the end of their implementation cycle; evaluation of normative activities, one of the acknowledged strengths of the United Nations system; and evaluation of United Nations contributions in situations of transition from humanitarian crisis to development. The strength of this process lies in its inter-agency nature, and the evaluation of each agency within the context of United Nations system activities. These evaluations are expected to feed into the TCPRs scheduled for 2007 and 2010.

H. Gender mainstreaming

42. Gender equality is one of the Millennium Development Goals, and an essential strategy for reaching the other Goals. To this end, UNICEF continues to mainstream a gender perspective in its work as part of the human rights-based approach to programming. UNICEF, in partnership with other United Nations agencies, is developing and reinforcing its capacity to advance the rights of women and children through laws, policies and budgets, at national, regional and global levels.

43. UNICEF and the United Nations Development Fund for Women (UNIFEM) will lead a desk review and field studies of the latest generation of UNDAFs and their guidelines, which will result in new tools and better coordination so that country programming takes sufficient account of gender concerns. This is being done as part of the UNDG Task Force on Gender Equality.

44. UNICEF is working to promote the implementation of the Convention on the Rights of the Child and the Convention on the Elimination of all Forms of Discrimination against Women through comprehensive, holistic and participatory legislative reforms. Such support includes legislation, implementation mechanisms, social policies and budgetary allocations. The latest output from this initiative is a compilation of inter-country studies analyzing how legislative reform to harmonize laws with the Convention on the Rights of the Child has progressed in the four legal traditions (civil law, common law and countries with mixed legal traditions with Sharia and/or customary law systems).

45. The UNICEF multisectoral approach to education, which combines education, with programmes to improve water and sanitation, child protection, early childhood care and nutrition, as appropriate, has enormous benefits for girls and women. For example, the installation of water points can reduce women's and children's (especially girls') work collecting water. Such programmes contribute to higher primary-school enrolment and completion rates, and to the retention of female teachers.

46. UNICEF recognizes the centrality of integrated programmes to support a continuum of care for mothers and their children. The new UNICEF-supported Partnership for Maternal, Newborn and Child Health takes a comprehensive approach to maternal and child survival by helping to provide for the healthiest possible start in life. The goals of the "Unite for Children, Unite Against AIDS" campaign support a range of child-centred approaches to combating the AIDS pandemic, including primary prevention and education, paediatric AIDS treatment and services to prevent mother-to-child transmission of HIV. Other programmes, such as promotion of breastfeeding, help to promote critical Millennial Goals such as reducing child mortality, along with improved nutrition and reducing hunger.

47. UNICEF is developing a non-coercive and non-judgmental approach to FGM/C and child marriage, based on human rights principles including the empowerment of girls and women. UNICEF, along with the International Labour Organization (ILO), the Office of the United Nations High Commissioner for Human Rights (UNHCHR) and WHO, supports the Secretary General's study on violence against children for which UNICEF is coordinating the preparation of the chapter on violence in schools.

48. In emergencies, UNICEF support takes account of gender concerns. Activities include providing immediate health care; facilitating access to legal assistance; providing special protection to women and girls in camps for refugees and internally displaced persons; raising community awareness about children's rights to be protected from violence, abuse and exploitation; and providing psychosocial support and vocational training opportunities. In the Democratic Republic of the Congo, UNICEF, UNFPA and other partners are implementing a multisectoral project for more than 10,000 women and girls. This project includes training for health-care practitioners and local women's organizations, support for hospitals that treat rape victims by providing medical and surgical care, and voluntary and confidential post-rape counselling and treatment for sexually transmitted infections. Gender sensitization is also being provided to police, lawyers, magistrates and medical personnel involved in interviewing, collecting and documenting legal and medical evidence.

49. UNICEF has joined with the Organization of the Islamic Conference and the Islamic Educational, Scientific and Cultural Organization to prepare a report on *Investing in the Children of the Islamic World*. The report paid specific attention to children's rights in general, and girls in particular, with openness to Islamic culture, while protecting such rights as education for boys and girls and protection against child marriage and FGM/C.

50. The further development of organizational strategies to systematically integrate gender into UNICEF work will include collecting information and case studies on good practices. UNICEF will also conduct an organization-wide evaluation to assess implementation of the policy on gender equality and women's rights adopted by the Executive Board in 1994 (E/ICEF/1994/L.5 and Add.1), and of pertinent resolutions of the General Assembly and Economic and Social Council.

51. UNICEF is taking measures to improve gender advocacy in country programmes by strengthening gender awareness among its staff. A gender perspective is being added to training manuals on programme processes, and specific attention is being given to the Convention on the Elimination of all Forms of Discrimination against Women in the core course on the human rights-based approach to programming. UNICEF has also designed a checklist on including gender equality as a core issue in UNICEF programmes. This tool has been integrated into a learning package on the approach that is being prepared under the leadership of UNHCHR.

I. Collaboration with the World Bank

52. Both UNICEF and the World Bank have new leadership, and both institutions are committed to increased and strengthened collaboration focused on rapid achievement of the Millennium Development Goals. Building on experience to date, this collaboration centres around two main areas: (a) programmatic and policy work, where each organization jointly contributes to the development of programmes and policies, with greater efforts to synchronize and coordinate the design of programmes supported by both, especially in the areas of HIV/AIDS, education and health; and (b) streamlined and more focused funding relationships.

Programme collaboration

53. In the area of HIV/AIDS, UNICEF has contributed to the work of the World Bank and UNDP, initiated in response to the Global Task Team on Improving AIDS Coordination among Multilateral Institutions and International Donors, to integrate HIV/AIDS programming into PRSs. In particular, UNICEF is contributing capacity-building assistance to ensure that PRSs both address the issues of children affected by HIV/AIDS and incorporate national action plans for orphans and vulnerable children. UNICEF also made substantive contributions to a review of legal protection for children orphaned by HIV/AIDS, developed by the World Bank, which will help to improve and enforce the use of legal instruments to protect the rights of children affected by HIV/AIDS. These developments are being introduced in several countries on a pilot basis. The World Bank is a key partner with UNICEF in the "Unite for Children, Unite Against AIDS" campaign.

54. UNICEF and the World Bank collaborated to better link UNGEI (where UNICEF is a designated lead agency) with the Education For All Fast-Track Initiative (where the World Bank takes a lead role). Joint work to promote equitable distribution of an essential learning package in countries with low enrolment rates was extended to 10 countries in West and Central Africa, after a trial phase in Burkina Faso. UNICEF and the World Bank embarked on initiatives to support abolition of school fees and other charges in selected countries, following a recommendation of the 2004 Global Partners Forum on Orphans and Vulnerable Children, co-hosted by the World Bank and UNICEF. These initiatives will build on the lessons learned in countries that have successfully implemented a free education policy. Other collaborations include a situation analysis of the global status of user fees, a state-of-the-art paper on lessons learned from the abolition of school fees, and a practitioner sourcebook of the practical experience based on experience in Kenya, Malawi, Uganda and the United Republic of Tanzania.

55. In the area of child protection, UNICEF and the World Bank continue to work together in targeted programming, particularly on programmes for demobilization and reintegration of child soldiers, for example in the Greater Great Lakes region and in Burundi. Donors have supported UNICEF work in this area through a multi-donor trust fund operated by the World Bank.

56. Multi-donor trust funds are increasingly used as a funding modality to channel financial resources to agreed reconstruction and rehabilitation priorities for countries in transition, frequently following a post-crisis joint needs assessment by the United Nations and the World Bank on behalf of national counterparts. For example, several large-scale programme proposals are under preparation for the Sudan multi-donor trust fund in the education and water and sanitation sectors.

57. Use of International Development Association (IDA) funds is also expanding, particularly in post-conflict countries. Under an agreement with the Government of Sierra Leone and UNICEF signed in October 2004, IDA grant funding for a teacher training project will help to scale up a UNICEF-initiated project. An agreement being discussed with the Government of the Democratic Republic of Congo would use IDA grant funding for an HIV/AIDS project focusing on support to AIDS orphans and vulnerable children and prevention of mother-to-child transmission as part of the World Bank's Multi-Country HIV/AIDS Program for Africa.

58. In addition to collaboration in particular substantive areas, UNICEF – as an active member of UNDG – works with the World Bank in supporting and promoting the harmonization and alignment initiatives sponsored by the OECD/DAC. UNICEF participated in regional meetings which fed into the Paris High-Level Forum, and was also part of a UNDG team in a subregional workshop in Uganda, sponsored by the World Bank, the African Development Bank, OECD/DAC and UNDP on application of the Paris Declaration at country level.

Funds transfers

59. In 2004, UNICEF and the World Bank confirmed agreement on issues relating to financial management of funds transferred to UNICEF from the World Bank. This enabled a number of funding

agreements to be signed, with the World Bank supporting UNICEF work in areas such as those discussed above.

III. Follow-up to international conferences

60. UNICEF is collaborating with United Nations partners in the system-wide follow-up to the Millennium Declaration, to the 2005 World Summit and to other recent international conferences and General Assembly special sessions.

61. The reaffirmation of the Millennium Declaration by the 2005 World Summit places the Millennium Development Goals at the forefront of the development agenda. For UNICEF, achievement of the Goals is the central to the agenda for children. The UNICEF MTSP for 2006-2009 places the core objective of UNICEF squarely within the context of the national and international implementation of the Millennium Summit Declaration and pursuit of the Millennium Development Goals.

62. UNICEF plays a leading role in monitoring progress towards the Goals, particularly through global reporting; leading inter-agency monitoring and evaluation working groups; supporting national data collection through MICS; maintaining global databases; and preparing joint estimates on indicators.

63. UNICEF contributed strongly to the analysis underlying a 2005 United Nations report on progress toward the Millennium Development Goals. In preparation for the 2005 World Summit, UNICEF also supported the preparation of the Secretary General's report, "In Larger Freedom: Towards Development, Security and Human Rights for All" (A/59/2005), particularly in reporting on Goal-related targets for poverty (underweight prevalence), child mortality, immunization, maternal health, water and sanitation, malaria and HIV/AIDS. In addition, UNICEF, together with other agencies, is preparing a number of other more detailed global progress reports on specific Goals, including the *World Malaria Report 2005* and *Meeting the MDG Drinking Water and Sanitation Target; a Mid-Term Assessment of Progress* (both prepared jointly with WHO), and *Progress for Children* reports on child mortality, girls' education and immunization.

64. UNICEF, together with WHO, has been identified as the lead agency for annual reporting in the Secretary-General's progress reports for all of the health-related Goals. These include child mortality, malaria, water and sanitation, maternal health, HIV/AIDS and child malnutrition.

65. UNICEF has led various inter-agency monitoring and evaluation working groups around monitoring of the Goals. The primary purpose of these groups is to harmonize monitoring and evaluation work for the Goals within the United Nations system, to address specific technical and measurement issues and build monitoring capacities at country level. UNICEF currently leads inter-agency groups on child mortality, malaria, water and sanitation, HIV/AIDS and immunization.

66. UNICEF supports data collection through MICS, which are a primary data source for monitoring indicators for the Goals. The MICS, which can generate 22 of 53 indicators, will be conducted in approximately 50 countries during 2005 and 2006.

67. UNICEF participated in a review of indicators for the Goals in October 2005 to make any necessary changes to existing indicators and, where necessary, add additional ones. This process, coordinated by the United Nations Statistics Division, has resulted in a revised set of indicators.

68. UNICEF, UNFPA and UNIFEM have agreed to prepare a joint report for the next United Nations entities' closed meeting with the Committee on the Elimination of Discrimination against Women at its thirty-fourth session in January 2006. UNICEF will focus on strengthening the assessment of the situation of the girl child and recommendations on how to address the eventual gaps in reporting on girls.

Follow-up to the General Assembly special session on children, 2002

Progress to date

69. Action to implement the goals of "A world fit for children", the Special Session's Declaration and Plan of Action, are in full harmony with the Millennium Declaration and Millennium Development Goals, which directly address and affect the rights of children. The building of a world fit for children would make a major contribution to meeting the Goals.

70. Throughout all regions, coalitions and networks of religious leaders, child rights groups, NGOs, women's organizations, professional associations and United Nations and other organizations continue to follow up to the special session's goals, helping to keep them high on the political agenda and contributing to their implementation. The Global Movement for Children, of which UNICEF is a member, organized the *Lesson for Life* initiative, which mobilized 4 million children and adults in 67 countries to discuss HIV/AIDS and its impact on children on the occasion of World AIDS Day 2004. Other follow up to the session during 2005 included the fourth Regional Meeting of NGO Coalitions in Europe focusing on children's rights; the Sixth Ibero-American Ministerial Meeting on Children and Adolescents, which focused on the protection of children from violence and other forms of exploitation; and the Seventh East Asia and Pacific Ministerial Consultation on Children. The Arab Parliamentarian Union hosted the First Arab Parliamentarian Conference on Child Protection in November 2004, with the collaboration of the Inter-Parliamentary Union and UNICEF.

71. The preparation of national plans of action for children, completed or underway in 86 countries since the special session is a key element of follow-up to the session. These national plans of action for children address in specific terms the four areas of the session's Plan of Action. Other national plans refer to measures already undertaken by Governments to track the realization of the goals, including improvement of statistical systems and assessment of plan implementation.

72. UNICEF continues its session-mandated role to monitor and disseminate information on the Plan of Action. At the field and at the global level, many other agencies concerned with children have reaffirmed the leadership role of UNICEF in monitoring and in implementing programmes for children.

Strengths and weaknesses in the follow-up to the special session on children

73. Civil society is frequently involved in the preparation of national plans of action, but less so in implementation, monitoring and review. The preparation of PRSs and national development plans have often involved trade unions, parliamentarians and the private sector, while the national plans of action for children have more often involved children and young people themselves, through task forces, polls or children's parliaments. UNICEF continues to expand its partnerships with civil society, Governments and with the private sector on behalf of children.

74. The national plans of action for children tend to address the needs of disadvantaged children more explicitly than is done in other instruments. Meanwhile, decentralization reforms in many countries are also providing opportunities for supporting children at subnational levels. The process of developing child-related goals at provincial and municipal levels has been completed in several countries, based on local assessments and participatory planning. The generation of data to support programmes specifically oriented to disadvantaged families and children remains a challenge.

75. The strong focus of the goals of the Millennium Declaration on children has created a positive synergy with the goals of "A world fit for children" and convergence of national planning processes around a common set of goals. Because the Millennium Development Goals focus on children, issues relating to children are now high on the international agenda.

76. A number of countries are mobilizing additional resources and protecting expenditures for the four areas identified by the special session's Plan of Action. PRSs and national development plans have been useful instruments in mobilizing resources. As few of the national plans of action developed specifically for children have well-developed budget information, efforts are needed to strengthen the link between these plans and national budgets.

77. The majority of the national plans of action for children refer to the Convention on the Rights of the Child or to the Concluding Observations of the Committee on the Rights of the Child on the respective country report. Other human rights instruments, such as ILO Conventions 138 and 182 and the two Optional Protocols to the Convention on the Rights of the Child, are also increasingly recognized as part of the framework for national plans of action. Almost all the recent national plans of action on children foresee the need to review national legislation in relation to the provisions of the Convention, and PRSs are increasingly recognizing elements of the Convention as well. UNICEF particularly supports national plans as a means by which to reiterate pursuit of the Millennium Development Goals.

Strengthening of monitoring mechanisms for child goals

78. Achievement of the Millennium Development Goals and other targets for children will be impossible without a commitment to accountability and adequate monitoring mechanisms. "A world fit for children" emphasizes the importance of monitoring progress towards the adopted goals. Many countries which are implementing PRSs or national development plans have established quite rigorous monitoring mechanisms, often coordinated by the central finance or planning ministry. The mechanisms in the national plans of action for children are more variable.

79. Efforts to implement the goals of the special session, reinforced by the broad international commitment to the Millennium Development Goals, have led to improvement of national monitoring systems. Many countries have moved towards unified data collection and monitoring systems for these goals. United Nations agencies and other partners continue to collaborate in supporting a consolidated system of data collection and monitoring of the Goals as well as for reporting to the Committee on the Rights of the Child. *DevInfo*, adopted by 61 countries, is one major contribution.

80. Insufficiently clear targets for child protection continue to pose the challenge of ensuring that this priority area is appropriately considered in macro-level plans, including in PRSs. Such plans should take account of the ways in which the protection of children affects the fulfilment of human rights, and that an insufficient focus on addressing problems such as child trafficking, child labour and violence against children is likely to significantly hinder national development progress. UNICEF has increased its advocacy on this issue, together with other members of the UNCT.

81. UNICEF and other agencies are supporting a new round of MICS that will provide the largest single source of data for reporting on progress towards the Millennial Goals and the goals of "A world fit for children". Comparable child-related data will also be produced by demographic and health surveys. Nearly 90 countries are engaged in household surveys during 2005 and early 2006. This will provide a rich data base for reporting to the commemorative plenary meeting on the special session on children to be held by the General Assembly in 2007. It will also assist in closing some of the major gaps in information in areas such as child protection.

82. The more inclusive processes which have been used in the initial follow-up to the special session on children have resulted in a greater sense of ownership by civil society organizations. High priority is being given to further developing partnerships with civil society, including children and young people, as a key part of the effort to realize results for children.

83. At the international level, the Committee on the Rights of the Child has the potential to promote a closer linkage between follow-up to the special session, the Millennium Development Goals and State Party reports to the Committee. The Committee's concluding observations on these reports should be used to maintain government and public mobilization around the goals for children. The United Nations system should continue to assist Member States in their follow-up to these observations where required.

84. Building on the efforts already made by Governments, regular reporting to the public on progress towards the goals of the Millennium Summit and of "A world fit for children" should be ensured as an important means of social mobilization for development, as well as for strengthened accountability. In addition, civil society and community groups are being assisted to generate information in specific areas, such as on the protection and care of children orphaned due to AIDS, a key element of the "Unite for Children, Unite Against AIDS" campaign.

85. With just 10 years to achieve the Millennium Development Goals and progress toward them uneven, UNICEF continues to support partnerships, programmes and approaches – such as integration of service delivery – that focus on the Goals. Accomplishing individual Goals is widely viewed as a "force multiplier" that will make the other Goals more attainable.

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Activities of the Joint Inspection Unit of relevance to the United Nations Children's Fund

Note by the Secretariat

Summary

This document provides information on reports prepared by the Joint Inspection Unit (JIU) during the period September 2004 through September 2005 that are of specific relevance to UNICEF, which have not yet been considered by the Executive Board. The document presents UNICEF action taken and views held on the issues raised by the inspectors.

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I. Overview

1. Reports of the JIU are submitted to the Executive Heads of the organizations concerned, who then act upon them, as appropriate, and report to their relevant Executive Boards. The present document provides information on JIU reports issued from September 2004 through September 2005 that are considered relevant to the administration and management of UNICEF, together with comments regarding the conclusions and recommendations contained therein, and a summary of actions undertaken.

2. Since the previous report (E/ICEF/2005/4), UNICEF has continued its dialogue with JIU on issues presented in the reports and on follow-up. This dialogue and interaction on issues of common interest have increased the relevance of the reports, improved implementation of recommendations and enhanced transparency. There is active coordination among members of the Executive Committee of the United Nations Development Group (UNDG), and with the members of the Chief Executives Board for Coordination (CEB), to ensure consistency and coherence in the handling of JIU reports for maximum benefit.

II. Reports submitted by the JIU of direct interest to UNICEF

3. Since the previous report was submitted to the Executive Board at the first regular session of 2005, JIU has issued several reports of interest to UNICEF. The comments, observations and follow-up notes of UNICEF are summarized below.

A. "Procurement practices within the United Nations system" (JIU/REP/2004/9)

4. The JIU report presents a system-wide analysis of the status of procurement services and practices within the organizations of the United Nations system, with a focus on the strategic issues that are most likely to influence the cost-effectiveness and reform of the procurement process in that system. On this basis, the report identifies various avenues for increasing procurement efficiency and effectiveness and makes a number of recommendations to enhance productivity; to improve inter-agency cooperation and coordination, including the sharing of information and best practices; and to make better use of technological innovations.

5. UNICEF acknowledges that the report deals with a complex array of practices and experiences. UNICEF has provided its comments to the JIU and has also participated in and contributed to the twenty-ninth meeting of the Inter-Agency Procurement Working Group (IAPWG), which made detailed comments on the draft report, many of which were incorporated in the final report.

6. The report recommends that the IAPWG adopt and implement the concept of a lead agency and promote a division of labour among the organizations aimed at further rationalization of procurement practices by its members. UNICEF warmly supports the lead agency concept and works closely with other agencies, including the United Nations Development Programme (UNDP), the World Food Programme (WFP), and the United Nations Office for Project Services (UNOPS), so that

common agreements are used where possible, such as those for satellite communication equipment. Many procurement agreements established by UNICEF are available to all interested facilities in the United Nations system.

7. The report recommends that Executive Heads should ensure that their procurement services have adequate and timely legal support, and that some of their existing staff receive training in the legal aspects of procurement. UNICEF concurs that it is desirable to have staff with a legal background. The required skills can be augmented through well-designed training activities.

8. UNICEF, in collaboration with several other United Nations agencies (the Inter-Agency Procurement Services Office (IAPSO), the Training Centre in Turin, Italy, UNDP, UNOPS), has agreed to a revised Common Procurement Training initiative for the United Nations. The basic training will be complemented with advanced training courses in such areas as legal issues, outsourcing, contract management, e-procurement, and ethics. The training will lead to certification that will set minimum standards for purchasing specialists in the United Nations system.

9. IAPSO is outsourcing its training curriculum. While this curriculum can be used by United Nations staff, its main purpose is to support public procurement and capacity-building in developing countries. This is therefore complementary to the IAPWG Common Procurement Training initiative, which focuses on increased skills and training for United Nations staff.

10. The report recommends the further development of the existing common procurement guidelines of IAPSO into a generic system-wide policy and procedures manual. UNICEF agrees that there is a need for greater harmonization. Several agencies have common manuals, and UNICEF is interested in working with those agencies to compile a joint procurement and procedures manual. The CEB additionally emphasizes that procurement manuals should be based on common system-wide guidelines that could be supplemented with agency-specific statutory elements.

11. On the recommendations of the report concerning the IAPWG, UNICEF notes that IAPWG is already directly linked to the High Level Committee on Management (HLCM), with its first report made in 2003. If further coordination is needed, this can be brought to the IAPWG for consideration. The CEB members also stress the importance of retaining the informal nature of networking to continue the free flow of ideas between the relevant actors of IAPWG and the procurement practitioners.

12. The JIU report recommends a detailed review of the feasibility and efficiency benefits of such measures as the further strengthening of procurement reform at headquarters by establishing a central procurement facility at headquarters. UNICEF finds that merging procurement services of various agencies into a single procurement facility is not feasible. There is currently insufficient evidence to show that this would offer increased efficiency and effectiveness, and much more detailed analysis is needed. The proposal does not take into sufficient consideration the diversity of mandates among the agencies, or the range of products that different agencies procure to meet different needs. As mentioned in the report, unhealthy centralization may lead to the channelling of purchasing through a relatively small number of suppliers. This in turn may reduce the opportunities for manufacturers from the developing countries to sell their products to the United Nations. In addition, the CEB members believe that the current modality of consortium buying

and/or the lead agency approach is capable of achieving the same results and benefits as those of a central procurement facility.

13. As an alternative, UNICEF warmly supports the lead agency concept as noted above (paragraph 6). This would be similar to the procurement currently done with IAPSO on vehicles, with the World Health Organization (WHO) on HIV test kits, and with the Office of the United Nations High Commissioner for Refugees and WFP on telecom equipment. At the same time, UNICEF supports the harmonization of quality assurance of goods, supplier registration and evaluation, which was not sufficiently covered in the report.

14. UNICEF agrees with the issue of electronic procurement and notes that the best benchmark for measuring progress would be other public procurement organizations that have been successfully implementing e-procurement. Specific future recommendations will have significant financial implications. The members of the CEB concur and additionally note that several members are already pursuing electronic procurement.

15. UNICEF concurs with the recommendation of the report on building capacity in public procurement agencies in recipient countries. UNICEF has initiated measures in the sphere of capacity-building with its counterparts.

16. In addition to these comments on the recommendations of the report, on the issue of procurement volume, the comparison appears to be too linear. The report did not consider the wider range and diversity of products that UNICEF procures in support of its programmes, nor the range of other customers requiring multiple and varied technical specifications. There are other ways in which UNICEF procurement is not comparable with other agencies' portfolios. For example, some agencies included procurement through national execution. For full comparability, UNICEF would then need to include the portion of Cash Assistance to Governments used to procure goods.

B. "Harmonization of the conditions of travel throughout the United Nations system" (JIU/REP/2004/10)

17. Travel policies among the organizations of the United Nations system vary, and disparities exist in areas such as entitlements for class of air travel and lump-sum options, among others. The objective of this report was to conduct a comparative analysis of various elements of travel for officials travelling at the expense of the United Nations, and to propose measures for harmonizing travel policies and practices throughout the organizations of the United Nations system.

18. The JIU report recommends that the General Assembly mandate the Secretary-General to review, within the framework of the CEB, the criteria used to determine the class of travel of staff members, with a view to adopting a common policy, particularly regarding the minimum travel time for entitlement to business class. Several of the factors to be taken into account include the changes in the travel industry and the deterioration of travel conditions, increases in travel time due to tightened security, and the opinion of the United Nations Medical Service on the health risks of travel. UNICEF concurs with this recommendation and holds that a sensible, healthful solution would be to reduce the minimum travel time required for business class to six hours throughout the organization.

19. With respect to the recommendation of the report to discontinue the provision requiring evidence of travel under the lump sum option, and instead requiring self-certification, along with an adequate audit process, UNICEF does not agree and finds that implementing this recommendation would make it impossible to reconcile accounts and entitlements.

20. The report recommends that organizations introduce the payment of full advance of subsistence and/or terminal expenses if not already done, in order to reduce the workload for processing travel claims. UNICEF concurs with this recommendation, provided that IT systems can be implemented to reconcile claim submission.

21. UNICEF agrees with the recommendations of the report dealing with the discontinuation of the practice of reporting exceptions to the approved class of travel; with the use of alternative modes of travel where cost-effective; with the introduction of regulation of the use of rented cars; with the streamlining of procedures for travel by private car; with changes in the thresholds for granting stopovers; with the adoption of procedures based on best practices for travel; and with the recommendation that the General Assembly request the Secretary-General to initiative a review of the standards of travel and entitlements with a view to harmonizing these standards across the United Nations system.

C. "Some measures to improve the overall performance of the United Nations system at the country level" (JIU/REP/2005/2)

22. In general, the report provides a useful synopsis of the history of United Nations reform. Many of the recommendations are useful and appropriate. UNICEF is committed to and looks forward to continued acceleration along the lines of what is set out in the General Assembly resolution 59/250 of 22 December 2004 on the Triennial Comprehensive Policy Review (TCPR) of operational activities for development of the United Nations system, and what is stipulated in the Outcome Document of the 2005 World Summit.

23. The report acknowledges the progress that has been made and includes recommendations on several issues, such as partnerships, programme outcomes, staff mobility, training and rationalizing field presence, that are already being implemented. Other recommendations may need to take additional account of existing structures for coordination and collaboration. United Nations reform is increasingly being seen as a series of interlinked policy, programme and operational actions, and any additional measures should link clearly to ongoing initiatives. Other recommendations deserve further consideration for the contributions they can make to the process of United Nations reform.

Recommendations for which progress is under way

24. Fostering a culture of partnership for improved analysis, planning, programme implementation and results at country level is under way, especially through the work of the UNDG Programme Group, which is looking at ways to improve the quality of the United Nations Development Assistance Framework (UNDAF). The

quality of the UNDAFs (and Common Country Assessments (CCAs), where they are being undertaken) is overseen by the Regional Directors of the agencies working in each country, and the leadership for this quality assurance is coordinated on a rotational basis by one of the agencies. Coherence with national development plans or the poverty reduction strategy (PRS) in each country is a key issue in this quality assurance. Moreover, through the Programme Group, the UNDG is considering how the United Nations can provide more consistent and strategic support to national analytical processes than the current periodic CCA. Furthermore, the UNDG, through the work of the Programme Group, is fully committed to ensuring full cooperation with the Organisation for Economic Co-operation and Development (OECD)/Development Assistance Committee (DAC) Paris Declaration on Aid Effectiveness and to ensuring that there is no impediment to implementation.

25. UNICEF fully agrees that the Resident Coordinator should ensure active collaboration with all UNDG member agencies, including those not represented on the United Nations Country Teams (UNCTs). UNICEF Regional Directors, as active members in the process of quality assurance for the preparation by UNCTs of the CCAs and UNDAFs, are actively soliciting comments from non-resident agencies, at the country and regional levels, and are developing stronger cooperation with the Regional Commissions to ensure their substantive participation in this process.

26. UNICEF supports the United Nations System Staff College (UNSSC) in its systematic provision of common training in the newly harmonized country programming process, including for CCA and UNDAF preparation, as well as in the area of emergency preparedness. UNICEF also finds that the UNSSC plans to launch a senior management network will also make better use of the Staff College. A review of the accountabilities of UNSSC, and changes in its leadership, are under way. UNICEF finds that with these changes it will be possible to proceed further with the recommended joint initiatives in areas such as analysis, programming and implementation and also simplification, harmonization and alignment.

27. During the last several years, the issue of mobility, especially inter-agency mobility, has been discussed in a number of inter-agency bodies and working groups. Recently, a working group, in which UNICEF actively participated, has adopted the Inter-Agency Mobility Accord. This accord, if approved by CEB/HLCM, will replace the current inter-agency agreement for loans, transfers and secondments. With this accord, the organizations are recognizing that mobility is critical for strengthening the cohesiveness as well as effectiveness of the United Nations system's response to global challenges and for building a competent, versatile, multi-skilled and experienced international civil service. The accord presents a framework rooted in the desired principles of greater harmonization, precision and flexibility, and engenders responsiveness to the diverse needs and requirements of United Nations common system organizations and their respective staff members. The accord process is facilitating open dialogue and consultations among all parties concerned. UNICEF has also been actively involved, along with other common system organizations, in the establishment of Local Expatriate Spouses Associations (LESAs) in field duty stations. With these LESAs, UNICEF hopes to strengthen its ability to recruit, reassign, and especially retain, the best-qualified individuals, particularly women, through tackling issues related to employment opportunities for United Nations expatriate spouses.

28. The International Civil Service Commission (ICSC) established a working group, in which UNICEF actively participated, to develop various options for compensating staff for service in hardship duty stations and for encouraging mobility. The Working Group, in its report to the ICSC, noted the difficulties reported by organizations with regard to reassigning senior staff to the field, in particular those who had already completed several assignments. The current scheme did not provide additional compensation for assignments beyond the fifth move. The Working Group, therefore, considered the establishment of groupings that would allow for the provision of incentives for mobility beyond the fifth assignment. The Working Group proposed that incentives be paid in groupings of two to three, four to six and seven moves or more. The Commission, at its recently concluded sixty-first session, adopted the proposal of the Working Group, which will now be presented to the General Assembly for adoption. UNICEF fully supports amendments made to the current mobility and hardship scheme.

29. The report notes that the Executive Heads of UNDG organizations should explore the feasibility of further delegating authority to their field representation and of improving simplification and harmonization within the system in such areas as the authority to commit and spend programme-related budgets, the engagement in joint initiatives and convergence on a common methodology for calculating indirect costs. UNICEF agrees with this and agrees that the JIU and UNDG Executive Committee agencies are leading in this area. UNICEF has found that the delegation of authority to the Country Representative has made it possible for country programmes to respond more rapidly and flexibly to emerging needs at the country level. Further, the issue of investigating ways to ensure a common methodology for calculating indirect costs is on the work plan for the UNDG.

30. Governing bodies of UNDG organizations should task the respective Executive Heads to examine ways to further strengthen their collaboration and integration at field level, among other ways, through the establishment of joint offices aimed at enhancing the United Nations effectiveness at country level while also reducing the burden of transaction costs on the recipient Government in the long term. UNICEF is encouraging its offices to participate in and provide leadership to common services as a way to save administrative costs at the field level. This has already shown results in several countries. Additionally, UNICEF is engaging in discussion with the other operational partners and agencies in Southern Africa to effectively align programmes in that sub-region's operations to deal with the triple threat of AIDS, food insecurity and lack of good governance. UNICEF and the other Executive Committee agencies are bringing both the operational and programmatic benefits of a more rational field presence to the establishment of the first joint United Nations office in Cape Verde.

31. UNICEF has worked closely with the reform process shepherded by OECD/DAC and, along with the other UNDG agency heads, has approved the UNDG Action Plan for the follow-up to the Paris Declaration on Aid Effectiveness. UNICEF has determined that no changes in its financial rules and regulations are needed in order for UNICEF to work within the OECD/DAC harmonization agenda, including participation in sector-wide approaches and other capacity-building measures. The UNDG chair has sent a communication on the OECD/DAC process to UNCTs communicating this Action Plan, urging the Resident Coordinators and UNCTs to take specific action on this. A significant step for the UNDG Executive Committee agencies in supporting the Paris agenda is the introduction of

harmonized cash transfer procedures to the implementing partners. These procedures will reduce transaction costs as well as provide a basis on which to support the development of national capacities in financial management, a key element of the Paris agenda.

32. UNICEF is participating actively in a collaborative process to strengthen the Resident Coordinator system, through the UNDG. This includes accelerated improvements in the selection process and greatly enhanced support for Resident Coordinators. Also in line with the TCPR recommendation, UNICEF and the other Executive Committee agencies are forging an agreement on common responsibilities and authorities for the Resident Coordinator. This will be accompanied by agreements on procedures for a common assessment of the performance of Resident Coordinators by all members of the UNCTs, which will help to ensure that Resident Coordinators exercise oversight of the design and implementation of the UNDAF in a fully participatory manner.

33. UNICEF welcomes the monitoring of progress on operational activities and finds that the HLCM task forces, the UNDG Management and Programme Groups, as well as United Nations Development Group Office work plan, are enabling such monitoring on an ongoing basis. It would be most useful to further develop the terms of reference for the recommended task force to clarify its role and added value.

34. UNICEF finds that the sharing of information on the United Nations system at the field level is of utmost importance and notes that in-country websites are already under way in many countries. UNICEF is actively participating in this area. However, it is not clear whether a General Assembly request is needed. In addition, clarity needs to be provided regarding who will be custodian of the information and what will be its governance, source, content, accuracy, validity and maintenance.

Recommendations for which the UNDG is making progress through existing mechanisms

35. As the United Nations agencies working at the field level are represented within the UNDG, it should be noted that the UNDAF already makes it possible for the Country Team to prepare an agreed, coordinated implementation plan. This process will be greatly enhanced as increased authority and accountability for the UNDAF and its implementation are invested in the Resident Coordinator. UNICEF is contributing actively to the process of simplification of the programming process through leadership in the UNDG Programme Group and its task forces.

36. UNICEF individually, and with the other field-based agencies through the UNDG, has issued a number of statements on the UNDAF, on common services, and on other mechanisms to enhance cooperation, collaboration and coordination. UNICEF is undertaking special efforts to encourage greater awareness of and commitment to, United Nations reform through a regular multi-media newsletter and web site, which will highlight and promote best practices.

37. While the report rightly notes that not all the communications calling for cooperation are taken up as assiduously as needed by the field, it seems that more active communication, and clear internal communication policies, from all UNDG

members, not just the Executive Committee, will however be the most useful strategy for enhancing such collaboration.

38. UNDG, which represents the agencies with programmes in the field, is actively considering the shape of, and participation in, joint offices beyond the current pilot in Cape Verde.

39. UNICEF and the other UNDG Executive Committee members are actively engaged in preparing suggestions for Resident Coordinator selection and support. These would include suggestions that the Resident Coordinator support Funds and Programmes to mobilize resources against the UNDAF results matrix, mobilize funds for joint programmes, and advocate on behalf of the UNCTs, while agency representatives continue to be responsible for individual agency interests, resources and staff (including resource mobilization).

40. UNICEF finds that several recommendations in the report would extend the progress that has been made and merit further discussion. These include the following three recommendations: First, that the General Assembly should request the Secretary-General to provide on the United Nations website a full inventory of all the reform proposals of the United Nations system made to date. This could be part of the United Nations Intellectual History Project. Second, that the Executive Heads of UNDG should report annually to their governing bodies on progress made in advancing the simplification, harmonization and alignment agenda. This is already being done by the Executive Committee agencies. Third, that the governing bodies of UNDG organizations should invite the respective Executive Heads to undertake a review of the grade structure and skills profile of their field representatives and other staff, and report thereon also to the General Assembly and the Economic and Social Council.

D. "Policies of United Nations system organizations towards the use of open source software (OSS) in the secretariats" (JIU/REP/2005/3)

41. The JIU report aims to raise awareness of the increasing use of OSS by public administrations worldwide and to highlight some of the requirements that United Nations system organizations would need to adopt in order to make more use of OSS, as indicated in the new system-wide information and communication technology (ICT) strategy of the United Nations.

42. The present ICT solutions are based on a well-defined ICT strategy, clearly articulated in 1997 and presented to the UNICEF Executive Board in 1999 (E/ICEF/1999/AB/L.6). This strategy is being executed and has evolved since 1997. Important yet rational investments have been made to assure that infrastructure remains viable, stable, reliable and cost effective and that it provides a consistent and adequate response to organizational needs. UNICEF acknowledges the continuous changing environment and the need to adapt ICT solutions to evolving business needs, technological advancements and changes in the overall organizational context, including reform of the United Nations system. Increasingly, ICT initiatives have to rationalize the use of resources across different organizations in the United Nations family, and it is pivotally important to assure that such

solutions, directly or indirectly, support work to achieve the Millennium Development Goals.

43. Making information available through inter-operability standards that do not require purchase of software by the user of the information is perfectly viable and is in line with UNICEF practices. As an example, the organization has adopted HTML and PDF formats and XML and text files for data transfers. UNICEF has an initiative in place to assure that all applications, within reasonable parameters, can produce data in such inter-operability enabling formats.

44. The use of OSS is one of several initiatives that would potentially bring cost reductions in selected areas. UNICEF agrees that, in the light of a jointly-developed United Nations Interoperability Framework, OSS alternatives should be considered as a component linked to in-house bespoke initiatives and proprietary vendor solutions, so long as the final outcome is based on a cost-benefit analysis that includes the comprehensive, or total, cost of ownership (TCO), using the methodology in place for selection of hardware, software and ICT services. UNICEF has established a model for the development of "business cases" which takes these elements into consideration. In some of the initiatives such as ERPs, the cost of software is typically a rather small portion of overall cost of implementation. Viewed in the context of TCO over the period of the life cycle of the services (which is typically 10 to 15 years), the consideration would always be "business benefits, continuity and sustainability" of the operational or mission-critical applications.

45. On the issue of freely sharing software within the United Nations system and with Member States, UNICEF already has an initiative in the form of DevInfo, a database system which contains Millennium Development Goals indicators, time periods and geographic areas organized to monitor global and national commitments to sustained human development. This system is already in use by 183 member states, local governments and several United Nations organizations with more than 500 installations. In some instances, it will be necessary to devise a form of cost-sharing mechanism to assure the sustainability of the software.

46. UNICEF has already shared an inventory of ICT solutions through the inter-agency process and is concerned that there is currently no United Nations family-wide mechanism in place to compile and maintain this information on a consistent basis. The establishment of such a mechanism should be accompanied by appropriate funding to assure necessary infrastructure, procedures and staff to sustain this initiative.

47. UNICEF is continuously reviewing four-year Office Management Plans as well as its ICT strategy to make sure it is in line with organizational needs. Aligning ICT strategies across the United Nations system is a significant endeavour that will also require major additional resources and governance.

48. It is important to set priorities for different elements in any shared ICT strategy. OSS is one of the elements, but by far not the most critical, and it is important to ensure that the elements of such a strategy are well balanced. There are several areas, such as a shared global telecommunications network and infrastructure, that are far more critical and have a greater potential to further reduce costs and streamline the United Nations system.

E. "A common payroll for the United Nations system organizations" (JIU/REP/2005/4)

49. This JIU report addresses significant financial savings that would accrue to United Nations organizations and to Member States should they agree on establishing a common payroll. The report examines payroll service delivery in different organizations in order to ascertain major obstacles and to develop recommendations for future improvement of payroll systems and processes. UNICEF thanks the inspectors for a thorough and detailed report on common payroll for United Nations organizations. UNICEF is pleased to note that many of its observations to the draft report have been incorporated in the final report.

50. UNICEF concurs with the recommendations contained in the report, yet has comments on its specifics. UNICEF also concurs with the report that rules, regulations, and business processes related to payroll and allowances should be streamlined and harmonized. Along these lines, an SAP "common layer solution for Human Resources and Payroll", developed by UNICEF jointly with the software company SAP A.G., successfully went live on 4 April 2005. This solution was completed on time and within budgets. The system migration from Integrated Management Information System (IMIS) was smooth, and payroll is now being successfully processed. The scope of the implementation covers all International staff and General Service staff in New York, Copenhagen, Geneva, Brussels and Huningue, France.

51. A number of agencies have expressed interest in the solution developed by UNICEF: in fact, UNICEF conducted a two-day workshop on the SAP-HR solution at the end of June under the auspices of SAP-SIG (the SAP substantive interest group, chaired by UNICEF). Since then, several agencies have formally decided to implement the SAP-HR solution pioneered by UNICEF, therefore de facto endorsing the JIU-recommended lead agency concept.

52. UNICEF concurs with JIU that a common payroll system is technically feasible, provided that the organizations within the United Nations system harmonize and standardize the "organization-unique" interpretation of common rules and regulations. We concur that the General Assembly should endorse the development of a common payroll system as a first step towards a common Enterprise Resource Planning (ERP) for the United Nations system as a whole. The payroll system may be used as one of the "drivers" for development of a common ERP solution for the United Nations family. However, the core financial systems must be considered as equally or even more important than human resources in the final outcome of one single solution, and payroll is highly integrated with the financial systems as well as "e-recruitment". Any future common system ought to take into account the experiences of the various models and the needs of all organizations affected — especially in potentially integrating the data back into their ERPs.

53. UNICEF agrees that reducing the number of payroll systems is the first step towards a common payroll system. Additionally, UNICEF finds the long-term goal (the time span of which is defined by JIU as 7-10 years) of two ERPs for the entire United Nations family as worthy. This would reduce the risk of reliance on only one vendor and would provide some competitiveness.

54. The "leader" agencies should assist the agencies with legacy systems by providing them with services such as hosting, by assisting with the development of solutions, or by fully operating payroll for them. In order for by this to function successfully, additional clarity will be needed on several issues linked to practice and governance: (a) the mandate of the "leader" organizations, including how this role would fit with their own work priorities, mandates, and staffing levels; (b) the roles that leaders are authorized to play in streamlining, simplifying and enforcing rules and regulations so that the common system is based on common business practices; and (c) the incentives for leader agencies.

55. UNICEF concurs that "leader" organizations should be established but notes that the leader organization should be able to demonstrate deep knowledge of business processes in addition to demonstrated IT competencies and skills.

56. UNICEF is ready to take this role for the SAP stream of ERPs. This is based on the proven track record of UNICEF in ERP, IT systems and IT services implementations.

57. In that context, UNICEF has already been designated by SAP as the lead agency to maintain and enhance the ERP solution for human resources, payroll, and grants.

58. In the views of UNICEF, off-shoring will not be an effective mechanism for the volume of transaction processing needed for each organization unless the scale and volume is increased significantly by combining payroll processing for many organizations into a single entity.

III. Ongoing/forthcoming reports of the Joint Inspection Unit of interest to UNICEF

59. UNICEF looks forward to presenting its comments, as appropriate, on some or all of the reviews and reports currently scheduled for completion in the next year, and those having potential relevance to the work of UNICEF, at the first regular session of the Executive Board in 2006.

60. UNICEF has taken note of the preliminary listing of potential reports for 2006 and beyond, with the following expected to have relevance for UNICEF:

(a) Oversight lacunae;

(b) The role of the United Nations system in disaster reduction and response;

(c) Report on medical coverage;

(d) Voluntary contributions from Member States;

(e) Second review of headquarters agreements focusing on the provision of headquarters premises and other facilities by host countries.